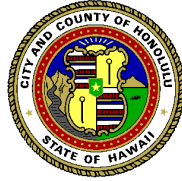


PETER CARLISLE
MAYOR



PRESS STATEMENT
Mayor Peter Carlisle, City and County of Honolulu
December 3, 2010

Regarding the "Analysis and Evaluation of the City and County of Honolulu's Proposed High Capacity Rail Transit Project" Final Report Prepared by Infrastructure Management Group, Inc. for the Hawaii State Department of Transportation

Today, we are on the verge of being able to begin construction of Honolulu's long-awaited Rail Project.

It has been reported that the cost of Honolulu's Rail Project will be increased by \$1.7 billion dollars. This is inaccurate.

The Infrastructure Management Group's (IMG) report does not say that rail is going to cost more. The report erroneously predicts that we are not going to be able to raise enough money from the half-percent General Excise Tax (GET) rail surcharge.

The prediction that there will be less money raised from the General Excise Tax is wrong.

In fact right now, in Honolulu, the GET revenue is 99% on track. So far, we have collected more than \$580 million since we began collecting the tax in 2007.

The IMG report also erroneously assumes that ridership will be lower than projected because so many people ride the bus now that there will be nobody left over to ride the rail.

Model forecasting indicates that the more people who ride the bus, the more people will ride the rail.

The IMG report was bought and paid for by the State Department of Transportation, supposedly as an independent financial review. There are many reasons to be suspicious of the credibility of this review.

First you should always consider the source. A prominent member of the review team, Thomas Rubin, is a nationally known anti-rail activist.

He advocates that the "Bus is good, Rail is bad." He travels across the country and has written numerous articles opposing rail projects. This guy is always against rail.

In keeping with his documented hostility against rail, he turned to Panos Prevedouros for information. Prevedouros is neither a licensed engineer nor a transit expert. Just like Rubin, he is also an ardent anti-rail activist.

Therefore, it is no surprise the report is a predetermined anti-rail rant.

Spending one-third of a million dollars for this shoddy, biased analysis is an appalling waste of our tax dollars.

###